

Message Text

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TAGS: BBAK, ELAB, IT

SUBJ: OUTLOOK FOR ELAH S.P.A. IMPROVES WHILE SITUATION

AT TORRINGTON S.P.A. STATIC

REF: GENOA 265, 277 AND 290

1. SUMMARY. GENERAL FOODS, INC. AND ELAH, S.P.A. MANAGEMENT HAVE REACHED AN AGREEMENT IN PRINCIPLE WITH DUFOUR S.P.A. FOR THE TAKEOVER OF ELAH BY DUFOUR. AGREEMENT INCLUDES PROTECTION OF MOST JOBS AND APPEARS ACCEPTABLE TO LABOR UNION. DEADLINE FOR CHANGE OF PROPRIETORSHIP OF ELAH EXTENDED FROM JULY 31 TO SEPTEMBER 20. AT TORRINGTON S.P.A. OCCUPATION OF PLANT CONTINUES. MANAGEMENT HAS NOT MODIFIED LIQUIDATION DECISION. TORRINGTON ISSUED BECOMING RALLYING POINT FOR LABOR AND POLITICAL GROUPS CONCERNED WITH GENOA S UNCERTAIN INDUSTRIAL OUTLOOK.

2. GENERAL FOODS AND ELAH FACED CERTAIN PRESSURES AS THEY CONDUCTED THE FINAL PORTION OF THEIR SEARCH FOR A COMPANY WILLING TO OPERATE ELAH. NOT ONLY WERE WORKERS THREATENING OCCUPATION OF THE PLANT, BUT REGIONAL AND EVEN NATIONAL POLITICAL LEADERS WERE PUBLICALLY AND PRIVATELY EXPRESSING THEIR DESIRES FOR A SATISFACTORY SETTLEMENT. DURING THIS PERIOD CONGEN EFFORTS WERE DIRECTED TOWARD KEEPING COMPANY
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OFFICIALS AND LOCAL ELECTED LEADERS IN CONTACT.

3. AFTER LONG NEGOTIATIONS WITH SEVERAL COMPANIES, GENERAL FOODS/ELAH MANAGEMENT ANNOUNCED ON JULY 28 AN AGREEMENT IN PRINCIPLE WITH DUFOUR, S.P.A., WHICH IS A LARGE GENOA-BASED MANUFACTURER OF CANDIES AND SWEETS. DUFOUR S PLANS APPARENTLY CALLS FOR CONTINUATION OF PRODUCTION AT ONE ELAH PLANT, WHILE THE OTHER PLANT WOULD BE USED AS A WAREHOUSE. REDUCTION OF THE ELAH WORK FORCE ENVISAGED. APPARENTLY ABOUT 115 EMPLOYEES WOULD BE DISMISSED AND OTHERS WOULD BE RETIRED EARLY. ALTHOUGH PRECISE FIGURES ARE STILL BEING NEGOTIATED, UNION LEADERS ARE HAPPY THAT DUFOUR WOULD EMPLOY MORE WORKERS THAN OTHER POSSIBLE ACQUIRERS.

4. GENERAL FOODS AND ELAH HAVE ACCEDED TO LABOR AND LOCAL GOVERNMENT DEMANDS FOR EXTENSION OF THE JULY 31 DEADLINE. ELAH HAD THREATENED TO SHUT DOWN OPERATIONS ON THAT DATE IF NO COMPANY AGREED TO TAKE OVER THE OPERATION. ELAH NOW LOOKS TOWARD A FINAL AGREEMENT WITH DUFOUR BY THE END OF AUGUST, WITH REDUCTION OF THE WORK FORCE TO START AROUND SEPTEMBER 20.

5. SYMPATHY STRIKES AND DEMONSTRATIONS FOR THE WORKERS AT THE OCCUPIED TORRINGTON PLANT ARE FREQUENT OCCURRENCES IN GENOA. AS EVIDENCE OF LABOR SOLIDARITY, VARIOUS WORKERS GROUPS HAVE PROVIDED FOOD, DAY CARE AND OTHER SERVICES FOR THE TORRINGTON WORKERS. PUBLIC UTILITIES HAVE BEEN PERSUADED TO MAINTAIN SERVICES AT THE PLANT. THE REGIONAL, PROVINCIAL AND MUNICIPAL PCI-PSI ADMINISTRATIONS HAVE DEMONSTRATED PARTICULAR CONCERN ABOUT THE SITUATION. ON JULY 30, THE GENOA MUNICIPAL ADMINISTRATION DECIDED TO DISTRIBUTE 10 MILLION LIRA DIRECTLY TO THE TORRINGTON WORKERS.

6. THE POSITION OF THE TORRINGTON MANAGEMENT CONCERNING LIQUIDATION REMAINS UNCHANGED. THE BEST HOPE FOR THE WORKERS FUTURES LIES IN THE EFFORTS OF LOCAL LEADERS TO FIND A BUYER FOR THE PLANT AMONG ITALIAN PRIVATE AND STATE-CONTROLLED COMPANIES IN THE TEXTILE OR MACHINERY FIELDS. BRUNO

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